# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:2186
ANSWERED ON:22.07.2004
PRODUCTION OF ETHANOL
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) the steps taken by the Government for alternative fuel development such as Ethanol Gas Hydrates etc;

(b) whether a road map to switch over to Ethanol blending in petrol and diesel is formulated by the Inter-Ministerial task force;

(c) if so, the details thereof;

(d) whether private sector is encouraged for investment in Ethanol based production;

(e) if so, the details thereof; and

(f) the production of Ethanol during last three years?

## Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANISHANKAR AIYYAR)

(a): The Government has inter-alia undertaken the following steps for alternative fuel development:-

- Ministry of Petroleum & Natural Gas has issued directives for sale of 5% ethanol-blended petrol in 10 sugar producing States and 3 contiguous Union Territories.

- Two pilot projects at Rewari (Haryana) and Mumbai (Maharashtra) have been launched by the Oil Marketing Companies to examine the operational,financial,environ-mental and other related aspects of blending of bio-diesel with diesel.

- A road map for storage, supply and distribution of hydrogen as an alternative fuel has been drawn up by the Research & Development Centre of Indian Oil Corporation Limited.

- A Steering Committee (backed by a Technical Committee) has been reconstituted during October, 2000 under National Gas Hydrate Programme with the ultimate objective of harnessing gas hydrates on a commercial scale.

(b & c): Blending of ethanol up to 5% with petrol has been implemented completely in the States of Goa, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Uttaranchal, in 21 districts of Andhra Pradesh and in 9 districts of Tamil Nadu, and in the Union Territories of Chandigarh, Dadra Nagar Haveli and Daman and Diu. Future road map for the ethanol blended petrol programme is dependent on assured availability of ethanol at economic prices.

No time-frame for blending ethanol with diesel has been formulated.

(d & e): The Sugar Development Fund Act, 1982 and Sugar Development Fund (SDF) Rules, 1983, as amended from time to time, provide for extending loans to any sugar factory, or any unit thereof for production of anhydrous alcohol or ethanol from alcohol with a view to improving viability. SDF rules do not make any distinction between cooperative sector and private sector units while processing applications from sugar factories for the production of ethanol. The Act and Rules are administered by the Ministry of Consumer Affairs, Food & Public Distribution.

(f): Ethanol is a derivative of sugarcane molasses which is decontrolled item. As such, no data are being maintained.